

3.1.6

Policy Title: 3.1.6 Debt Management

Section: 3.0 Operations

Last Approved: January 2020

BACKGROUND

The purpose of this policy is to define the Association's ability to borrow funds and manage debt.

APPLICATION

The application of this policy is to provide direction to current employees and Executive members regarding Association debts and liabilities.

POLICY STATEMENT

1. Approval from the Executive is required to enter into total borrowing or bank overdraft protection.
2. Management is responsible for implementing adequate systems for recording, controlling, paying, and reporting debt and liabilities.
3. Repayments shall be made on a timely basis. A schedule of repayment should be developed and adhered to.
4. Interest rates should be negotiated to ensure reasonable market rates and to minimize charges wherever possible.
5. Borrowing must be acquired through a recognized chartered bank or credit union.
6. Operating or capital leases, for approval purposes, shall be treated as contractual agreements, not debt management.

REFERENCES